

U.S. ECO ONLINE
A SELECTION OF DOCUMENTS RECENTLY PUBLISHED ON THE WEB

Nº 83 – April 2006

GENERAL INTEREST

Johannes F. Linn and Colin I. Bradford, Jr.

Pragmatic Reform of Global Governance: Creating an L20 Summit Forum

The Brookings Institution – Policy Brief – April 2006 – 8p

<http://www.brookings.edu/comm/policybriefs/pb152.pdf>

“The global challenges confronting political leaders today—whether the stalemate of global trade negotiations, the threat of Avian flu, the struggle over Iran going nuclear, or the fight against global poverty—cannot be solved by yesterday's institutions. They demand new approaches to global governance that are more inclusive, more representative, and thus more effective.”

Racing to the Top: How Global Competition Disciplines Public Policy

FRB Dallas – Annual Report – April 2006 – 51 pages

<http://www.dallasfed.org/fed/annual/2005/index.html>

“Immediately upon becoming Bank president last year, I challenged our research team to develop new principles and analytical tools for a globalized world—new ideas that could serve as guides for the Federal Open Market Committee and stimulate the thinking of monetary economists worldwide. “Racing to the Top,” the cover essay of this annual report, presents a view of globalization’s impact on the economy and its effect on a wide range of public policies. The essay notes a striking correlation between increasing globalization and better economic policies.”

William T. Dickens, Isabel V. Sawhill, and Jeffrey Tebbs

The Effects of Investing in Early Education on Economic Growth

Brookings - Policy brief - April 2006 – 8 pages

<http://www.brookings.edu/comm/policybriefs/pb153.htm>

“This policy brief analyzes the impact of a high-quality universal preschool policy on economic growth, concluding that such a policy could add \$2 trillion to annual U.S. GDP by 2080. By 2080, a national program would cost the federal government approximately \$59 billion, but generate enough additional growth in federal revenue to cover the costs of the program several times over.

Immigration: Economic Impacts

Senate Judiciary Committee - Hearing - April 25, 2006

<http://judiciary.senate.gov/hearing.cfm?id=1851>

Testimonies by:

Richard B. Freeman, Professor of Economics, Harvard University - National Bureau of Economic Research

Dan Siciliano, Executive Director, Program in Law, Economics and Business, Stanford Law School

Barry R. Chiswick, Professor of Economics, University of Illinois at Chicago

Harry J. Holzer, Professor of Public Policy, Georgetown University

Marcelle Chauvet and Chengxuan Yu

International Business Cycles: G7 and OECD Countries

FRB of Atlanta – Economic Review – 1st Quarter 2006 – 12p

http://www.frbatlanta.org/filelegacydocs/erq106_chauvet.pdf

“The progressive globalization of markets has sparked a worldwide interest in using economic indicators to analyze cyclical fluctuations. Governments and the private sector seeking to conduct their activities in light of both national and international economic conditions could benefit from international indicators that serve as a warning system to detect recessions in major economic partners and in industrialized countries as a whole.”

U.S. ECONOMY

U.S. Competitiveness in the 21st Century

Bernard L. Schwartz Forum on U.S. Competitiveness – April 28, 2006 – 44 pages

<http://www.brookings.edu/comm/events/20060428.pdf>

“To examine the critical questions surrounding American competitiveness in a global economy, the Brookings Global Economy and Development Center launched the Bernard L. Schwartz Forum on U.S. Competitiveness. The first in a series of forums addressed American education, innovation and R&D, and featured keynote addresses by Dr. Susan Hockfield, president, Massachusetts Institute of Technology (MIT), and Bruce Mehlman, former assistant secretary of Commerce for technology policy, and co-founder, Mehlman & Vogel, Inc. Bernard L. Schwartz, retired chairman of the board and chief executive officer, Loral Space & Communications, provided introductory remarks and joined the keynote speakers for a panel discussion.”

Cletus C. Coughlin, Michael R. Pakko and William Poole

Is the U.S. Current Account Deficit Dangerous?

FRB Saint Louis - The Regional Economist - April 2003

http://stlouisfed.org/publications/re/2006/b/pages/account_deficit.html

“Although this deficit has been rising steadily since the early 1990s, a “hard landing” for the U.S. economy is unlikely. One reason is that only in the United States can so many foreigners invest so much money and get such good returns.”

Edward M. Graham and David M. Marchick

US National Security and Foreign Direct Investment

Institute for International Economics – Book – May 2006 - 220 pages

http://bookstore.iie.com/merchant.mvc?Screen=PROD&Product_Code=3918

“Although a vital part of the US economy, foreign direct investment (FDI) in the United States periodically raises public and congressional alarms—as witnessed during Dubai Ports World's recent bid to acquire US port operations and Chinese firm CNOOC's attempt to buy US energy firm Unocal. Drawing fire from Congress are the Exon-Florio provisions of US law, which enable the president to block a foreign acquisition that threatens national security. This important new book finds that many proposed reforms risk harming the US economy without enhancing national security. The authors propose ways to strengthen the current interagency review of deals, including an improved process for reporting to Congress.”

CFIUS and the Role of Foreign Direct Investment in the United States

House - Committee on Financial Services - Hearing - April 27, 2006

<http://financialservices.house.gov/hearings.asp?formmode=detail&hearing=465>

“Protecting national security and promoting foreign investment and free trade are not mutually exclusive. We can and must do both.”

ECONOMIC OUTLOOK

Ben S. Bernanke

Outlook for the U.S. Economy

Joint Economic Committee - United States Congress - April 27, 2006 – 9 pages

<http://www.house.gov/jec/hearings/testimony/109/04-27-06bernanke.pdf>

“I am pleased to appear before the Joint Economic Committee to offer my views on the outlook for the U.S. economy and on some of the major economic challenges that the nation faces. Partly because of last year's devastating hurricanes, and partly because of some temporary or special factors, economic activity decelerated noticeably late last year... Since then, however, with some rebound in activity under way in the Gulf Coast region and continuing expansion in most other parts of the country, the national economy appears to have grown briskly.”

Theodore M. Crone

What a New Set of Indexes Tells Us About State and National Business Cycles

Business Review, FRB Philadelphia - First Quarter 2006 - 14 pages

http://www.phil.frb.org/files/br/Q1_06_NewIndexes.pdf

“Ted Crone presents information on a recently constructed set of coincident indexes for the 50 states. These indexes can be used to define business cycles at the state level and can tell us how business cycles and the overall patterns of growth have differed among the states.”

Kevin J. Stiroh

Volatility Accounting: A Production Perspective on Increased Economic Stability

FRB of New York – Staff Report – April 2006 – 57p

http://www.newyorkfed.org/research/staff_reports/sr245.pdf

“This paper examines the declining volatility of U.S. output growth from a production perspective. At the aggregate level, increased output stability reflects decreased volatility in both labor productivity growth and hours growth as well as a significant decline in the correlation. The decline in output volatility can also be traced to less volatile labor input and total factor productivity (TFP) growth and the smaller covariance

between them. This relationship suggests that labor market changes such as increased labor market flexibility are an important source of increased output stability.”

Wenli Li and Rui Yao

Your House Just Doubled in Value? Don’t Uncork the Champagne Just Yet!

Business Review, FRB Philadelphia - First Quarter 2006 - 14 pages

http://www.phil.frb.org/files/br/Q1_06_Housevalue.pdf

“The authors present their recent research, which tries to quantify the effects of house-price changes on both consumption and the well-being of American households. Their study looks at the economy as a whole, as well as different demographic groups.”

William T. Gavin

Low Down Payments Boost Home Ownership

FRB Saint Louis - The Regional Economist - April 2003

http://stlouisfed.org/publications/re/2006/b/pages/movin_up.html

“More young people, poor people and minorities are buying homes these days, but not because of tax deductions or government affordable-housing programs.”

SAVINGS - DEBT

Saving for the 21st Century: Is America Saving Enough to be Competitive in the Global Marketplace?

Senate Committee on Finance, Hearing - April 6, 2006

<http://finance.senate.gov/sitepages/hearing040606a.htm>

Dr. Thomas J. McCool, Director of the Center for Economics, Government Accountability Office,

Mr. Jurrien Timmer, Director of Market Research, Fidelity Investments, Boston, MA

Dr. Barry P. Bosworth, Senior Fellow, The Brookings Institution,

Dr. Lael Brainard, Vice President and Director of the Global Economy Development Center, Brookings Institution

William G. Gale, Jonathan Gruber, and Peter R. Orszag

Improving Opportunities and Incentives for Saving by Middle- and Low-Income Households

The Brookings Institution - Hamilton Project White Paper 2006-02 - April 2006

http://www.brookings.edu/views/papers/200604hamilton_2.htm

“Many middle- and low-income Americans retire without having accumulated sufficient savings to enjoy a comfortable retirement. Low retirement saving is not primarily due to a lack of eligibility for tax-favored retirement accounts, but rather to a lack of take-up... We offer proposals to address both impediments to saving. First, we would require every firm (with possible exceptions for the smallest businesses) to enroll its new workers automatically in at least one plan: a traditional defined benefit plan, a 401(k), or an IRA... Second, our proposal would replace current tax deductions for contributions to tax-preferred retirement accounts with a new program providing universal matching contributions from the government for household deposits to 401(k)s and IRAs.”

The Consequences of Rising Debt

The Brookings Institution – Book's overview – 16p

<http://www.brookings.edu/es/research/projects/budget/fiscalsanity/2005briefsummary.pdf>

“Sometimes good news poses hard choices. Over the next several decades Americans will be forced to make difficult decisions necessitated by the good news that people are living longer and that medical care has become far more effective (albeit more expensive) than ever in history. These choices will require adjustments by almost everyone—families, communities, employers, and older people themselves—but they will be most starkly evident in the federal budget.”

TAX AND FISCAL POLICIES

Lewis M. Andrews

America's Second Civil War: The Public Employment Complex vs. Taxpayers

The Yankee Institute – April 2006 – 24 pages

<http://yankeeinstitute.org/files/2/pdf/64533%20Final%20lews%20study.pdf>

“The first Civil War not only united a nation, but also created the cultural foundation for an industrial revolution whose magnitude no one at the time could have predicted. So today, the victory of taxpaying Americans over the costly inefficiency of the public employment complex promises to inspire social and technological advances we ourselves can only dimly imagine. In the interim, we will be required to endure repeated warnings of dire consequences every time some government agency or program is required to reinvent itself in the public interest. “

Craig Hanson and David B. Sandalow

Greening the Tax Code: Tax Reform, Energy and the Environment

The Brookings Institution - Policy Brief - April 2006

<http://www.brookings.edu/views/papers/sandalow200604wri.pdf>

“Analysis indicates that taxes on air and water pollution could generate substantial revenue for the U.S. Treasury while improving environmental quality, stimulating technological innovation and enhancing energy security. Reducing tax expenditures with adverse impacts on natural resources could do the same. As lawmakers explore ways to reduce federal budget deficits and reform the tax code, they should consider measures that shift more of the tax burden onto activities—such as pollution—that make the economy unproductive or reduce quality of life. This policy brief examines fiscal instruments that both raise revenue and help improve environmental quality.”

Curtis S. Dubay and Scott A. Hodge

America's Tax Freedom Day® Arrives April 26th in 2006, Three Days Later Than 2005

Tax Foundation – Special Report - April 12, 2006 – 16 pages

<http://www.taxfoundation.org/publications/show/93.html>

“Tax Freedom Day will arrive on the 116th day of 2006 — Wednesday, April 26. Because of the rising tax payments that accompany economic growth, this year's Tax Freedom Day is three days later than it was in 2005 and a remarkable 10 days later than it was in 2004... However, 2006's Tax Freedom Day is still considerably earlier than it was in 2000, when the economic boom, the tech bubble and higher tax rates pushed tax burdens to a record high, and Tax Freedom Day was postponed until May 3.”

The Costs to Local Taxpayers for Illegal or "Guest" Workers

Federation for American Immigration Reform – April 2006

http://www.fairus.org/site/PageServer?pagename=iic_immigrationissuecentersfa6e

“Numerous studies have documented the fact that illegal immigrants are a significant fiscal burden on local communities. Because the burden is related to the low wages earned by this population and that is unlikely to change as long as the earnings do not rise more than inflation, any Congressional amnesty-type action that incorporates these foreign workers and allows or admits additional ones will not only perpetuate the fiscal burden, it will increase it.”

MONETARY POLICY

William Poole

The Role of Federal Reserve Banks in the Federal Reserve System

Federal Reserve Bank of St. Louis – Speech - March 30, 2006

http://stlouisfed.org/news/speeches/2006/03_30_06.htm

“I’ll discuss some of the details of financial evolution, but will first take up a topic that is rarely discussed, and one I feel passionate about. The Federal Reserve System has a mixed public-private structure. However, the most important of the Fed’s responsibilities have to be managed from a public-interest perspective and not from a profit-making perspective. Although the Fed has public responsibilities, that does not mean that Fed operations all have to be managed and conducted from Washington. Indeed, I’ll be making the argument that the Fed’s mixed public-private governance structure has been highly effective in serving the public interest precisely because not everything is run by a federal agency. The 12 regional Reserve banks play a key role in the Federal Reserve and have a lot to do with the System’s fine record of performance.”

Vice Chairman Roger W. Ferguson

Thoughts on Financial Stability and Central Banking

FRB of Atlanta – Speech – April 17, 2006

<http://www.federalreserve.gov/boarddocs/speeches/2006/20060417/default.htm>

“Few subjects are more important for central bankers than the efficiency and stability of our financial system. The term "financial instability" is often poorly defined. Finally, many observers have used the term "financial instability" to describe their perception that market functioning seems to have been significantly distorted or impaired. Regardless of the definitions used for financial instability, they lead us to a strong interest in ensuring that our financial infrastructure is robust and that our supervisory operations are sound and up-to-date.”

Andrew Bauer, Robert A. Eisenbeis, Daniel F. Waggoner, and Tao Zha

Transparency, Expectations, and Forecasts

FRB of Atlanta – Working Paper – 1st Quarter 2006 – 25p

http://www.frbatlanta.org/filelegacydocs/erq106_bauer.pdf

“Many economists believe that a central bank’s transparency about its objectives, economic outlook, and policy changes affect the public’s views about future economic and financial conditions. In keeping with this theory, since 1994 the Federal Open Market Committee has gradually increased the transparency of its statements accompanying changes in the federal funds rate target. This article investigates whether private agents’ ability to predict the economy’s direction has improved since 1994. The analysis focuses on forecasts

of macroeconomic variables such as inflation, gross domestic product growth, and unemployment and policy variables such as short-term interest rates.”

BANKING

Governor Randall S. Kroszner

The Effect of Removing Geographic Restrictions on Banking in the United States: Lessons for Europe

The Federal Reserve Board – Remarks – April 6, 2006

<http://www.federalreserve.gov/boarddocs/speeches/2006/20060406/default.htm>

“I will focus my remarks on the U.S. experience with removing restrictions on the geographic expansion of banking organizations because I believe that this experience is timely and important for current debates in the European Union (EU). Over the past year or so, the winds of nationalistic protectionism seem to have strengthened in Europe, especially with regard to cross-border mergers. The desire to impede cross-border integration has been expressed in quite a few EU countries and with respect to a number of different industries, including banking.”

America’s Capital Markets: Maintaining Our Lead in the 21st Century

House - Committee on Financial Services - Hearing, April 26, 2006

<http://financialservices.house.gov/hearings.asp?formmode=detail&hearing=464>

“Restoring fairness and enhancing transparency in our markets requires continued vigilance on the part of both regulators and legislators. However, I believe our markets are now facing an even greater challenge; retaining supremacy in an increasingly competitive global market.”

Roger W. Ferguson, Jr.

Financial Regulation: Seeking the Middle Way

Federal reserve Board - Remarks in Zurich, Switzerland - March 31, 2006

<http://www.federalreserve.gov/boarddocs/speeches/2006/20060331/default.htm>

“Financial innovations have been coming at a rapid pace in recent years; new financial products have been introduced and are expanding rapidly, and new institutions have taken on prominent roles in key financial markets... Today, I will discuss briefly the potential benefits and drawbacks associated with new products and institutions and spend most of my remarks on a middle way that regulators might pursue as these new products and institutions emerge.”

Governor Susan Schmidt Bies

A Risk-Management Perspective on Recent Regulatory Proposals

The Federal Reserve Board – Remarks – April 10, 2006 -

<http://www.federalreserve.gov/boarddocs/speeches/2006/200604102/default.htm>

“I hope it is clear that we are sensitive to the regulatory burden that bankers face; that is one reason why we often issue guidance first as proposals, requesting comments. Indeed, the Federal Reserve is quite responsive to regulatory burden, as evidenced by the recent Senate testimony of Governor Kohn on the subject. Overall, we believe that banks can remain profitable while still adhering to the standards set by banking regulators. And when we propose changes in our policies or guidance, we continue to listen carefully to industry comments and concerns.”

A Review of Current Securities Issues

US Senate Committee on Banking, Housing, and Urban Affairs – Hearing - April 25, 2006

<http://banking.senate.gov/index.cfm?Fuseaction=Hearings.Testimony&TestimonyID=1182&HearingID=206>

“Today the Banking Committee continues its review of the regulatory landscape in the securities markets. I would like to welcome back Chairman Christopher Cox, returning to the Committee for the first time since being confirmed to lead the Securities and Exchange Commission. Chairman Cox’s appearance this morning will provide the Committee an opportunity to learn more about his ambitious investor protection agenda at the SEC.”

Ramon P. DeGennaro

Merchant Acquirers and Payment Card Processors: A Look inside the Black Box

FRB of Atlanta – Economic Review – 1st Quarter 2006 – 42p

http://www.frbatlanta.org/filelegacydocs/erq106_degennaro.pdf

“Each year, hundreds of millions of credit and debit cardholders make billions of transactions worth trillions of dollars. Yet few consumers are aware that such transactions travel through, and are made possible by a highly evolved group of intermediaries that sign up merchants to accept cards, handle card transactions, manage the dispute-resolution process, and, along with regulatory agencies, set rules that govern card transactions. This article demystifies the “Black Box” of the transactions process for payment cards.”

LOCAL ECONOMIC DEVELOPMENT

Alan Berube

Overcoming Barriers to Mobility: The Role of Place in the United States and UK

The Brookings Institution - April 2006 – 17 pages

http://www.brookings.edu/metro/pubs/20060410_ukmobility.pdf

“For frustrated US researchers, then, it is quite gratifying—and envy inducing—to see the issue of social mobility assume a central place in the public debate across the Atlantic... One important strand of the UK mobility discussion has focused on the role of 'place'. The central questions here seem to be (a) 'Does where you live affect your chances in life?' and (b) 'If so, how much?' The answers could inform a range of policies regarding housing, schools, regeneration, and welfare—and could help policymakers assess the relative importance of reforms in these areas to broader efforts aimed at enhancing social mobility.”

Bruce Katz

Transformative Investments: Unleashing the Potential of American Cities

Brookings - Metropolitan Policy Program – Remarks - April 5, 2006 - 38 pages

http://www.brookings.edu/metro/speeches/20060405_TransformativeInvestments.pdf

“Transformative investments are multi-dimensional efforts that remake the urban physical landscape to stimulate economic growth, improve fiscal vitality, and advance social equity.”

William Fulton, Linda E. Hollis, Chris Williamson, and Erik Kancler

The Shape of Metropolitan Growth: How Policy Tools Affect Growth Patterns in Seattle and Orlando

The Brookings Institution - April 2006 – 57 pages

http://www.brookings.edu/metro/pubs/20060410_metrogrowth.pdf

“Land use, infrastructure, and open space policy play an important role in shaping metropolitan growth, and whether or not they are coordinated on the policy level, they do interact with each other in shaping those patterns. However, the exact interplay of these policies is not well understood. This paper uses two metropolitan areas—Orlando and Seattle—with differing growth management regimes to explore the effects of conscious growth policy on metropolitan form.”

More Hard Times For New York’s Working Families

Schuyler Center for Analysis and Advocacy – Working Paper – March 2006 – 7p

http://www.nycfuture.org/images_pdfs/pdfs/002-FINAL2.pdf

“There is broad consensus about what kind of economy and society New Yorkers would like to see over the decades to come: plentiful and remunerative jobs, reinvigorated communities from New York City to Oswego, and a safety net strong enough to facilitate upward mobility but infused with the values of work and family. Unfortunately, indications are that New York is drifting farther from that vision as time goes by. The jobs being created here generally pay less than those lost to other communities. The long decline of small cities and towns across the Empire State continues as the best and brightest of those communities relocate elsewhere. And our own capacity to resist these trends through public programs that help working families to increase their earning power and stabilize their finances is undermined by budget cutters at both the federal and state levels. Are these trends irreversible and irresistible?”

BUSINESS - INDUSTRY

Small Business Innovation Research: Information on Awards Made by NIH and DOD in Fiscal Years 2001 and 2004.

GAO-06-565 – Report - April 14, 2006 – 78 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-06-565>

“Since 2002, controversy has arisen over the extent to which venture capital firms may own SBIR firms. GAO was asked to provide information on SBIR for fiscal years 2001 - 2004. For NIH and DoD, we determined the (1) number and characteristics of awards, (2) number and characteristics of awards above the guidelines, (3) changes in award characteristics after 2002, and (4) factors agencies consider, and data they collect on SBIR awards.”

Governor Mark W. Olson

Enterprise-Wide Compliance-Risk Management

The Federal Reserve Board – Remarks – April 10, 2006

<http://www.federalreserve.gov/boarddocs/speeches/2006/20060410/default.htm>

“Our review of industry best practices and an analysis of the experience of other industries suggests that organizations need to supplement their enterprise-wide compliance-risk management systems with strategic and dynamic thinking. To prepare for what may be ahead, organizations should draw not only on past experience but also employ quantitative and qualitative scenario analysis and planning. To quote former Chairman Greenspan, “The advent of sophisticated risk models has not made people with gray hair, or none, wholly obsolete.”

Thomas H. Klier Daniel P. McMillen

The Geographic Evolution of the U.S. Auto Industry

FRB Chicago – Economic Perspectives - Second Quarter 2006 Edition

http://www.chicagofed.org/publications/economicperspectives/ep_2qtr2006_part1_klier_mcmillen_part1.pdf

http://www.chicagofed.org/publications/economicperspectives/ep_2qtr2006_part1_klier_mcmillen_part2.pdf

“The authors examine changes in the footprint of the auto industry in the United States, starting in 1980 and tracking them through 2003. Their formal analysis of assembly and supplier plant locations traces the reorientation of the auto region from one that extends east–west to one that stretches north–south over this period. To accommodate the large size of the file and the number of illustrations, the article has been divided into two smaller files.”

Thomas H. Klier and James M. Rubenstein

The U.S. Auto Supplier Industry in Transition

FRB of Chicago - The Chicago Fed Letter – May 2006 – 4p

http://www.chicagofed.org/publications/fedletter/cflmay2006_226.pdf

“Evolving relations between carmakers and their parts suppliers have resulted in local, regional, and international shifts in the location of production. An upcoming Chicago Fed conference in Detroit will examine these ongoing structural changes, which are affecting the prospects for the U.S. auto industry's continued concentration in the Midwest.”

The U.S. Rail Capacity Crunch

House, Committee on Transportation - Subcommittee on Railroads – Hearing – April 26, 2006

<http://www.house.gov/transportation/rail/04-26-06/04-26-06memo.html>

“This hearing is intended to permit the Subcommittee to examine the dimensions of the current shortage of railroad capacity in the United States, as well as possible solutions to that shortage... The rail freight network in the United States, in sheer miles of track, is about half the size of that network in 1980, when the Staggers Act substantially deregulated freight railroad market entry and exit and railroad rates. However, today's network carries approximately double the ton-miles of freight that the 1980 network carried.”

Kenneth A. Small, Clifford Winston, Jia Yan

Differentiated Road Pricing, Express Lanes and Carpools: Exploiting Heterogeneous Preferences in Policy Design

A.E.I. –Brookings Joint Center - Working Paper - March 2006 – 44 pages

<http://www.aei-brookings.org/admin/authorpdfs/page.php?id=1258>

“In the face of rising congestion on the nation's road system, policymakers have explored ways to reduce travel delays. One approach has been to allocate reserved lanes—called high-occupancy-vehicle (HOV) lanes—to vehicles carrying two or more people. A recent innovation is to allow solo drivers to use the HOV lanes if they pay a toll. These so-called high-occupancy-toll (HOT) lanes can be found in Los Angeles, San Diego, Houston, and Minneapolis and are under consideration in several other urban areas. In this paper, we argue that HOV and HOT lanes sacrifice efficiency by failing to price all lanes.”

ENERGY

Ben Lieberman

Avoiding Backfires at the Pump: How to Handle High Gas Prices

The Brookings Institution – Web Memo – May 4, 2006 –

<http://www.heritage.org/Research/EnergyandEnvironment/wm1058.cfm>

“Congress has a wide variety of proposals for dealing with high gasoline prices, but it is easy to distinguish the good ones from the bad. The good ideas recognize free markets as the best deal for consumers over the long run, while the bad ideas resort to taxes, regulations and other forms of government interference with those markets. Despite the difficulties of getting things done in an election year, Congress should do everything it can to advance the good ideas and put a quick stop to the bad ones.”

Ariel Cohen

Reducing U.S. Dependence on Middle Eastern Oil

The Heritage Foundation - Backgrounder #1926 - April 7, 2006 – 9 pages

<http://www.heritage.org/Research/Features/NationalSecurity/bg1926.cfm>

“The United States is the largest oil importer in the world, bringing in 13.5 million barrels per day (mbd), which accounts for 63.5 percent of total U.S. daily consumption (20.6 mbd). [1] Oil from the Middle East (specifically, the Persian Gulf) accounts for 17 percent of U.S. oil imports, and this dependence is growing. There is a broad consensus in America, from the President to the man on the street, that this situation is detrimental to the country’s economic health... While recognizing the problem is laudable, however, little has been done to solve it.”

The Role of the Federal Government and Federal Lands in Fueling Renewable and Alternative Energy in America

Committee on Resources - Subcommittee on Energy & Minerals – Hearing - April 6, 2006

<http://resourcescommittee.house.gov/archives/109/emr/040606.htm>

“The Subcommittee meets today to review the Federal renewable and alternative energy research and leasing programs at the Department of Energy, Department of Interior, U.S. Forest Service and the Navy and the role these programs will play in helping to meet the energy needs of the country.”

The Role of State and Local Government, and the Private Sector in the Development of Renewable and Alternative Energy in America

Committee on Resources - Subcommittee on Energy & Minerals – Hearing - April 29, 2006

<http://resourcescommittee.house.gov/archives/109/emr/042906.htm>

Field Oversight Hearing: Nevada

Assessing the Goals, Schedule and Costs of the Global Nuclear Energy Partnership

House, Science Subcommittee on Energy – Hearing - April 6, 2006

<http://www.house.gov/science/hearings/energy06/April%2006/index.htm>

“I want to welcome everyone to this hearing on the President’s Global Nuclear Energy Partnership, commonly referred to as G-NEP. The purpose of this partnership is to clear the way for the safe expansion of nuclear energy worldwide. How do we do this? By using technology to address growing inventories of spent nuclear fuel so that we won’t need another Yucca Mountain. Today we intend to take a look at the goals, schedules and costs associated with this innovative research and development (R&D) program.”

The State of the Biofuels Industry

Senate - Committee on Agriculture - Hearing - April 26 2006

<http://agriculture.senate.gov/Hearings/hearings.cfm?hearingId=1850>

“Two of the most notable provisions of the 2005 energy bill, as they relate to our topic today, are the creation of a national Renewable Fuels Standard (RFS) and the extension of the biodiesel tax credit. Already, we are seeing the results of the 2005 Energy Policy Act. The RFS will require the production of 7.5 billion gallons of ethanol by 2012. The industry is well on its way to exceeding that requirement. Biodiesel production in this country is growing at a fantastic rate. In 2004, the industry produced just 25 million gallons. In 2006, it is expected to produce a minimum of 150 million gallons.”

EMPLOYMENT

Kristie M. Engemann and Michael T. Owyang

With Less To Do at Home, More Women Are at Work

FRB Saint Louis - The Regional Economist - April 2003

http://stlouisfed.org/publications/re/2006/b/pages/social_changes.html

“The ranks of women in the workforce jumped by more than 24 percentage points between 1955 and 1999. Credit labor-saving devices at home (such as the dishwasher), the birth-control pill and the preference by some men to marry a woman who works outside the home.”

Richard Deitz and James Orr

A Leaner, More Skilled U.S. Manufacturing Workforce

FRB New York - Current Issues in Economics and Finance - February/March 2006 – 7 pages

http://www.newyorkfed.org/research/current_issues/ci12-2/ci12-2.html

“While the U.S. manufacturing sector has contracted sharply since the early 1980s, employment in high-skill manufacturing occupations has risen by an impressive 37 percent. An investigation of the growth in high-skill manufacturing jobs reveals that virtually all of the nation’s industries have shared in this trend. Moreover, skill upgrading has occurred in all parts of the country, even those experiencing severe employment losses.”

Human Capital: Agencies Are Using Buyouts and Early Outs with Increasing Frequency to Help Reshape Their Workforces

GAO-06-324 - March 31, 2006 – 40 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-06-324>

GAO was asked to identify (1) how many agencies have been granted authority to offer buyouts and early outs and how often agencies used them, (2) how agencies view OPM’s role in facilitating the use of these tools, (3) how agencies have used practices associated with effective use of the tools, and (4) what challenges agencies identified, if any, to continued effective use. To respond, GAO reviewed the practices of the Departments of Agriculture, Commerce, Energy, Health and Human Services, Interior, and the Treasury because they were among the most frequent users of these authorities.

Andrew Foerster and Leonardo Martinez

Are We Working Too Hard or Should We Be Working Harder? A Simple Model of Career Concerns

FRB of Richmond – Working Paper – Winter 2006 – 13p

http://www.richmondfed.org/publications/economic_research/economic_quarterly/pdfs/winter2006/foerster_martinez.pdf

“In this article, we study how an employee is disciplined by career concerns. Fama (1980) suggests that employees are disciplined by the opportunities provided by the labor market for their services, both within and outside the firm. This is the case when the market does not know the employee’s future productivity and learns about it by observing his performance.”

PENSIONS - HEALTH

Richard H. Mattoon

State and Local Government Public Pension Forum: A conference summary

FRB of Chicago - The Chicago Fed Letter – May 2006 – 4p

http://www.chicagofed.org/publications/fedletter/cflmay2006_226a.pdf

“As growing numbers of their work force approach retirement age, state and local governments are taking a hard look at their pension funds to see if they are prepared for this exodus. This one-day conference brought together policymakers and experts to weigh the state of these funds.”

Michael D. Tanner

Mandates for Health Insurance: Slippery Slope to National Health Care

Cato Institute – Policy Analysis - April 5, 2006 – 12 pages

<http://www.cato.org/pubs/pas/pa565.pdf>

“Proposals for achieving universal health insurance coverage are once again receiving serious attention. Among the ideas attracting bipartisan support is an individual health insurance mandate, a legal requirement that every American obtain adequate private health insurance coverage. People who don't receive such coverage through their employer or some other group would be required to purchase their own individual coverage. Those who failed to do so would be subject to fines or other penalties...The result will be a slow but steady spiral downward toward a government-run national health care system.”

Health Care Coverage for Small Businesses: Challenges and Opportunities

Senate Committee on Finance, Hearing - April 6, 2006

<http://finance.senate.gov/sitepages/hearing040606.htm>

“The hearing today focuses on the challenges faced by small businesses in America in their efforts to find and provide affordable health care coverage. The vast majority of American workers get health care through their employer. We encourage employers to provide that coverage through a tax deduction. While most employers do, the fact remains that for many employers that is not enough of an incentive. The majority of Americans who were uninsured in 2004 were full-time, full-year workers. Another 30 percent worked at least part-time. So 80 percent of the uninsured had some connection to the workforce. Our system is a voluntary system. We don't require employers to offer coverage. We don't require employees to accept coverage.”

Edmund F. Haislmaier

The Significance of Massachusetts Health Reform

The Heritage Foundation - WebMemo #1035 – April 11, 2006

<http://www.heritage.org/Research/HealthCare/wm1035.cfm>

(www.massachusettshealthreform.org)

“In reality, the legislation is designed to restructure and (partially) deregulate Massachusetts’s small-group and non-group health insurance markets and to convert subsidies now paid to hospitals for treating the uninsured into subsidies for the low-income uninsured to buy health insurance. The objectives are expanded coverage, greater consumer choice and satisfaction, value-focused competition among insurers and providers, and ultimately a reduced burden on the state’s taxpayers. The key to the Massachusetts plan is a new way of organizing the marketplace to enable consumers to compare and purchase health insurance plans.”

Regina E. Herzlinger

Health Policy in Maryland and Massachusetts: A Study in Contrasts

The Heritage Foundation - WebMemo #1037 - April 13, 2006

<http://www.heritage.org/Research/HealthCare/wm1037.cfm>

“The Maryland legislature’s decision to require that its big businesses spend 8 percent of payroll on health insurance has turbo-charged the AFL-CIO’s “Fair Share” campaign to enact similar legislation in 30 states. As always, the word “fair” implies that someone’s pocket is about to be picked. In this case, it is that of the American business community. The problem the legislation addresses is serious. Sadly, the Maryland solution could not be worse. States should look to the best features of Massachusetts’s recent reform efforts for a more promising approach.”

Massachusetts Health Reform Bill: A False Promise of Universal Coverage

Physicians for a National Health Program - April 5, 2006

http://www.pnhp.org/news/2006/april/massachusetts_health.php

“The Governor, legislative leaders and leaders of Health Care For All standing in the State House Rotunda declaring victory in the fight for universal health coverage. Unfortunately, this weeks tableau merely repeats one from 20 years ago when Governor Dukakis was celebrating passage of his universal healthcare bill. That plan imploded within two years, and today about 250,000 more people are uninsured in Massachusetts than the day it was signed. Unfortunately, Massachusetts’ new health reform legislation looks set to repeat that disaster.”

INTERNATIONAL TRADE

Reauthorization of the Export-Import Bank of the United States

House - Committee on Financial Services - Hearing, April 26, 2006

<http://financialservices.house.gov/hearings.asp?formmode=detail&hearing=456>

“To promote a sustainable export sector, the Export-Import Bank must take steps to support the growth of the country’s lead exporters, small businesses. To support small exporters, the bank’s financing procedures and resources must be geared in part to the particular needs of these businesses.”

Cutting Our Trade Deficit: Can the U.S. Muster Its Diverse Trade Promotion Operations to Make an Impact?

House, Small Business Committee – Hearing – April 26, 2006

<http://www.house.gov/smbiz/hearings/databaseDrivenHearingsSystem/hearingPage.asp?hearingIdDateForm at=060426>

“As the trade deficit continues to rise, one question remains – why would we choose to ignore these small businesses who are our strategic asset for spurring innovation and increasing our global market share? ...In order to ensure that our nation’s small business exporters are able to compete more efficiently and effectively in the global market, it is critical to invest adequate resources into making this happen. Our trade policies must be reflective of the important role these entrepreneurs play in the world economy. It is my hope to find a solution that truly supports their continued innovation and advancement.”

World Trade Organization: Limited Progress at Hong Kong Ministerial Clouds Prospects for Doha Agreement.

GAO-06-596 – Report - April 26, 2006 – 47 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-06-596>

“Given the importance of the WTO Doha Round to the United States, GAO was asked to provide an update on the status of the negotiations. In this report, the latest in a series on the negotiations, we (1) provide the status of the Doha negotiations on the eve of the Hong Kong ministerial, (2) review the outcome of the Hong Kong ministerial, and (3) discuss the prospects for concluding the Doha Round before TPA expires in July 2007.”

MISCELLANEOUS

China: The Balance Sheet - What the World Needs to Know Now about the Emerging Superpower

I.I.E. and Center for Strategic and International Studies – Book Summary and Overview Book – April 2006

http://www.iie.com/publications/chapters_preview/04648/01pa04648.pdf

“The US-China relationship has become too important to disregard and too critical to misread. It is complex, confused, and full of contradictions. The United States must understand China’s complexities and reinforce its own strengths to ensure regional security, realize the greatest possible economic benefits, avert the negative consequences of China’s dynamic and sometimes convulsive domestic transformation, and integrate the country as a partner--or at least not as an active opponent--for a prosperous and stable world order.”

Nicolas de Boisgrollier

The Challenge of Reforming France

Brookings Center on the U.S. and Europe - U.S.-Europe Analysis Series - April 2006 – 4 pages

<http://www.brookings.edu/fp/cuse/analysis/boisgrollier20060427.pdf>

“France is an economic success story. It is the sixth largest economy in the world, the fourth biggest exporter of services and the third largest investor abroad... Nevertheless, there are some worrying economic and social issues... Finding a way to move past this societal blockage will be one of the key issues in the 2007 presidential elections in France.”